GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:1197
ANSWERED ON:27.11.2000
INTEREST ON SECURITY DEPOSIT
MD ANWARUL HAQUE;RAGHUVANSH PRASAD SINGH;RAM PRASAD SINGH

Will the Minister of COMMUNICATIONS be pleased to state:

(a) the total security deposits with the MTNL for cellular telephones and VSNL for Internet connections as well as of private service providers for cellular telephones in Telecom Sector throughout the country as on date;

(b) whether there is a long pending demand for giving of interest on security deposits to the consumers; and

(c) if so, the action taken or proposed to be taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) to (c): Sir, Regarding the security deposit and its interest relating to various services, the status is as follows:-

1. MTNL Cellular Telephones:

Total security deposits with MTNL for mobile Telephones based on CDMA WILL technology is Rs. 137.20 lakhs. There is a demand for giving interest on the security deposit.

It has been decided to refund Rs. 7,000/- (with interest) out of a deposit of Rs. 10,000/- to each registrant on such telephones. Interest at the rate applicable on application deposit for a normal telephone will also be paid on the balance of Rs. 3,000/- till the date of provision of mobile telephone.

2. Internet Service of VSNL:

No security deposit is being charged by VSNL from the customers for the internet services provided by them.

3. Private service Providers for Cellular Telephones:

In case of private operators, record of the security deposit collected by the private service providers of Cellular Mobile Telephone Service(CMTS)is not maintained by the Government. As per information obtained from Cellular Operators Association of India (COAI), all the CMTS operators are abiding by the Telecom Regulatory Authority of India (TRAI) tariff order, 1999 relating to tariffs and security deposits. Therefore, all tariffs and security deposits are within the prescribed limits of the TRAI tariff order. No interest is paid on the security deposits. The security deposits taken by the operators are refundable.